LEGISLATIVE SERVICES AGENCY OFFICE OF FISCAL AND MANAGEMENT ANALYSIS

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FISCAL IMPACT STATEMENT

LS 7508 NOTE PREPARED: Jan 9, 2005

BILL NUMBER: HB 1689 BILL AMENDED:

SUBJECT: Worker's Compensation Awards and Travel Reimbursement.

FIRST AUTHOR: Rep. Oxley

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: X GENERAL IMPACT: State & Local

 $\begin{array}{cc} \underline{X} & DEDICATED \\ \underline{X} & FEDERAL \end{array}$

<u>Summary of Legislation:</u> This bill requires the employer to pay reasonable travel expenses to the employee from the place the employee begins travel (either the employee's residence or place of employment) to the place of treatment, when the employer requests or requires the employee to submit to treatment outside the employee's county of employment. It increases from two to five years the period in which an award may be modified. The bill eliminates the one-year period to file applications for increased permanent partial impairment.

Effective Date: July 1, 2005.

Explanation of State Expenditures: Current law requires a reasonable travel expense to be paid if the employee is requested or required to get treatment of a worker's compensation claim outside of the county. The bill specifies that the travel distance is either from the employee's residence or place of employment. The bill could have some fiscal impact, but it is probably minor.

The bill also increases the time that the Worker's Compensation Board can modify motions from two years to five years. The impact would depend on the modification the Board made on a ruling that is over 5 years old. The impact depends on the number of motions that would be modified, and is probably minor.

The bill eliminates the one-year period to file applications for increased permanent partial impairment. The bill would probably have a minor fiscal impact. It would depend on the number of increases in benefits that might be filed that are over one year old.

The impact on the state would be as an employer. For FY 2004, the state paid about \$2.5 M in benefits, \$2.4

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M in FY 2003, and \$2.9 M in FY 2002.

Explanation of State Revenues:

Explanation of Local Expenditures: See *Explanation of State Expenditures*. The impact on local units is as an employer.

Explanation of Local Revenues:

State Agencies Affected: Worker's Compensation Board. State Agencies.

Local Agencies Affected: All.

Information Sources:

Fiscal Analyst: Chuck Mayfield, 317-232-4825.

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